

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6080**

**BILL NUMBER:** SB 85

**NOTE PREPARED:** Oct 25, 2004

**BILL AMENDED:**

**SUBJECT:** Disqualification for Unemployment Compensation.

**FIRST AUTHOR:** Sen. Craycraft

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill reduces the qualifying period for unemployment benefits to four weeks. It allows a person who takes a better job and is discharged without just cause to remain eligible for unemployment benefits. The bill allows a person who is discharged for violation of an attendance policy to show good cause for the absences or tardiness. It also defines "good cause" to include compelling family obligations, sexual harassment, and financial inability to maintain two residences.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** The provisions of this bill may create a minimal increase in expenditures from the Unemployment Insurance Benefit Fund, the extent of which is indeterminable and dependent on the number of individuals who meet the above criteria. The balance in the Unemployment Insurance Benefit Fund as of June 30, 2004, was about \$692.4 M, and benefits paid were about \$741.1 M..

The impact on the state as an employer is also minimal. For FY 2004, the state spent \$3.4 M on unemployment insurance benefits.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The provisions of this bill may create a minimal increase in expenditures for unemployment insurance benefits.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development, State agencies.

**Local Agencies Affected:** Local units of government.

**Information Sources:** State Budget Agency Auditor's Database.

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